

The Art of Spending

Maurice Le Ruyat



P R I C E S :

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The Art of Spending

How to Live Better and Save More

by

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YOU would like to get more out of your income—we all would; that is a universal desire. *But how?*

Money is made to spend, of course—that is what it is for, but what you or I or anyone gets for our money in satisfaction, health, happiness and progress depends entirely on the way we spend our income. And it is not the amount of income, but the kind of life it buys that counts. What you want to get out of living, naturally, should govern your spending; but neither you, nor I, nor anyone can get what we want simply by wishing; we must have some *definite purpose*—we must have a *plan* to get what we want out of our income and out of life.

The plan must come first if we wish to build a successful house or a bridge, if we wish to make a dress or run a business, if we wish to do our work easily or get the most joy out of living. And the better the plan and the closer it is followed the more successful will be the result.

This is essential to success in “The Art of Spending”—*to make a plan and follow it.*

Forethoughtful spending is not the common and usual practice now-a-days. We are more apt to be “free spenders” and take a certain pride in extravagance; more apt to spend first and trust to good fortune to make income meet expenses. This “spend first” system has always been the practice of our Government at Washington.

A National Budget

OUR Uncle Sam is now loaded down with expenses of over four billion dollars a year. As consumers, we have to pay this amount yearly in taxes, directly and indirectly—"sure as death and taxes." To help reduce this burden of taxation, our lawmakers have about come to the conclusion that it might be well to have a plan of spending or "budget" and make yearly expenditures correspond to income. It is estimated that National expenditures, except for fixed charges, can be reduced one-fourth through a carefully worked out budget system, for the reason that planning the expenditures as a whole will help to eliminate waste, unnecessary expense and duplication of effort.

Why A Household Budget?

ALL up-to-date business is run on the budget system, with full records and accounts to find costs and keep a check on budget appropriations. Now homemaking is the biggest business in this or any country. Somewhere between 70% and 80% of our 70 billion dollars yearly income is spent directly by our individual homemakers. Very little of this 50 odd billion dollars is spent with any well defined plan and very, *very* little of it is accounted for. Not one family in a thousand knows what was spent, say, for food in 1913—nor in 1920. This spending without plans and without records wastes millions, yes, billions of dollars yearly—and we still have a war to pay for!

Isn't it reasonable to suppose that simply keeping a record of expenditures for food, clothing, operating, etc., and comparing figures from month to month will help to check over expenses? And particularly if there is a definite aim or purpose in the spending?

Experience has shown that spending the family income on the budget system and keeping a check on expenditures will save one-tenth or more of the income of almost any family.

That is, under the budget system, one-tenth the total income can be *laid aside as savings* and the family live on the balance of the income with equal or greater satisfaction than on the full income without planned spending!

If this be so—and it is—isn't this scheme worth trying—not for some other family but for YOUR FAMILY?

I'm From Missouri—Show Me!

“YES,” you say, “I have heard of this budget scheme, have seen quite a number of budgets. You are supposed to spend so much for food, so much for clothing, so much for rent and all, but none of the plans would do for *my* family.”

True, very true, no ready made budget will fit. Every family must be a law unto its own budget and every family must draw up its own plan of spending, for no two families have identical tastes, conditions, or the same income and requirements.

For What Are You Running The Home?

THE first step in planning your budget, as suggested, is to define the family aim or purpose. What is it your family expects its income to yield? There may be one or several aims. After allowing for necessities, perhaps the most usual family aim or ambition is to provide the children with a good education and a favorable start in life. Next comes provision against reverses in fortune, sickness and old age. Perhaps owning a home of your own may be a guiding factor or accumulating capital for a good business opportunity or building up an investment fund to provide more income from interest or dividends.

Then there may be many minor aims, such as a vacation trip, a summer camp, new house furnishings, labor-saving equipment, an automobile. *What is it the family desires most?*

Too often there is no well defined plan in the spending. The family just lives along from month to month and from year to year, paying bills and keeping out of debt maybe, but making no progress financially and getting nowhere. *It is impossible to arrive unless you know where you want to go.* So a definite aim and purpose must be the first step towards success in "The Art of Spending"—to *live better and save more.*

Where Your Money Goes

THE next step in planning a budget is to figure out as nearly as possible what has been spent in the various avenues of expenditure for the month and year. As few families have any definite records of where the income goes, it will probably be necessary to keep records or accounts for a month or two of what you *are* spending, to decide what you *must* spend, what you *wish* to spend and where you can most easily cut expenses to provide more *savings* for future needs or desires.

What's The Use of Accounts?

NEARLY all families, at one time or another, have made spasmodic attempts to keep household accounts but housekeepers do not like to keep them, any more than men like to keep personal accounts, for accounts require persistency, they *won't* balance, and are more or less trouble. Very probably you feel that you are just as careful of the spending as possible anyhow, the money goes, accounts are tiresome, so what's the use?

All this is common experience and, as a matter of fact, it is of comparatively little use to keep accounts to show what you *have* spent. Accounts are valuable chiefly to show that you are spending the way you *want* to spend, that is according to plan or budget.

But records are absolutely essential to the budget plan of spending—it is all too easy to

exceed the budget appropriation in all divisions; constant check must be kept on the spending or an ideal budget is of little use. Household accounts are the stumbling block in the way of the budget scheme; but there is a way around this difficulty.

Practical Budget Accounting

ALL families that use a checking account for paying bills have on the check stubs (if properly kept and not lost) a more or less complete record. Now if the *full* family income be put into the checking account and *all* expenditures be made by check, even to obtain cash, you would then have on the check stubs or interleaves a record of where *all* the money went. Is this not so? *It is*. Then if the interleaves have columns arranged to keep the divisions of expenditure together you would have a full classified record of expenses! Well, all this is provided in the Self-Accounting Check Book, see Figure 4—of which more later.

The Weekly Allowance Book

TO provide for a record of cash expenditures and for families or individuals not using a checking account, a miniature account book has been designed which is quite simple and small enough to be carried in the pocket-book so that records can be made *at the time of spending*. This simplifies matters. See Figure 5.

After keeping the records for a month or two, you will know what you *are* spending, have some idea of what you *must* spend in the various divisions and can begin to get ready to decide what you *want* to spend and how you shall apportion your income to yield the greatest satisfaction and savings for your particular family. Then you can draw a tentative budget, try it for a few months, revise, try it again and finally in the course of a year

or so begin to achieve success in "The Art of Spending"—to *live better* and *save more*.

Family Team-Work

THE third requirement for living on a budget is to insure full and complete co-operation of all members of the family. The whole family must plan together and the full family income for the year should be considered. Nothing draws man, wife, and children together so much as having a common purpose in the family spending and a united "pulling" toward a definite aim.

Planning the spending of the entire income for the year instead of spending as you go for this, that, and the other thing as the impulse or need arises, just naturally leads to more balanced spending and tends to reduce thoughtless, useless, wasteful spending. It is exceedingly easy to fritter away in nickels, dimes, and quarters (to say nothing of the five- and ten-dollar bills) a surprising amount of money—a sum sufficient to realize many of the family aims.

The Housekeeper's Allowance Plan

IN MANY families it is the custom for the husband to turn over a definite sum weekly or monthly as a "housekeeping allowance," out of which the wife or housekeeper is supposed to pay for food, her own clothing and personal expenses and sometimes for the clothing of the children. The man pays the rent, insurance, life insurance, taxes and all unexpected expenses such as doctors' bills, for repairs, new equipment and so on. He "holds the bag."

Such a system is much better than no system at all but has certain disadvantages, foremost perhaps in that it does not allow for consideration of the family expenses as a whole. It prevents the woman from seeing and understanding more than her part of the

expenditures and from having a broad view of all the family finances. The household allowance may be disproportionately large, tending to make for extravagance and one-sided expenditures, or it may be too small, making it necessary for the housekeeper to skimp in her spending unduly and giving a feeling of unfairness. But the chief objection to the housekeeping allowance plan is that it stands in the way of a thorough-going budget system which considers in full the family plan of spending and saving.

“Housekeeping is a business; husband and wife are equal partners. The entire income from whatever source should be mutually shared and directed by both partners. . . . The wife should share the responsibility for the financial success or failure of the family.”*

Objectors to The Budget Plan

THERE are two types of people that stand in the way of the family budget plan—the “bountiful provider” husband and the “cling-vine” wife. Both are a bit out of date in this day and age.

To the Bountiful Provider: You probably have a feeling that as you produce the family income that you should decide on the spending of it. No doubt you have occasionally made a few remarks on the lack of business management in the home and on extravagance in general. But who would you say is usually to blame for extravagant wives and daughters and spendthrift sons? And is there any way to learn the value of money except through experience in using it? Well, here is a chance to put the family finances on a business basis and give practical training to all in the family in “The Art of Spending.”

You will remain, naturally, chairman of the board of directors of family finance, and believe me, “laying all the cards on the table

*Mrs. Christine Frederick in *Household Engineering*.

face up" and letting the family budget put the limit on the family spending is much more effective than any amount of preaching on saving and economy! Let the budget show that the money spent for "fancy eats" cannot also be spent for a new hat. If daughter "simply *must* have a new dancing frock," the budget may show her that Dad will have to go without a new business suit, which she knows he needs—badly. The budget scheme may take quite a burden off your shoulders.

To The Clinging Vine: It's very comforting to have every want provided for and have no financial cares; then again it's not so agreeable to have to ask for money and bill-checking time is not so pleasant. Of course, you cannot expect to be a financial partner unless you are willing to take your share of financial responsibility. Partners are equally liable in business, you know. That means being sure that you have the money to spend before buying—getting away from the "charge it to husband" habit. The wife *should* have the spending end of the marriage partnership—no man can work to full efficiency or produce as much income as he might who has to take on the details of the family spending and carry all the load.

Some years ago, when the dollar was worth 100 cents, in a budget exhibit was shown all that could be done on a thousand dollar income; an observant man was heard to remark, "Yes, but that would take a five-thousand dollar wife." Well, why not be that kind? As Mrs. Ellen H. Richards has put it—be "a productive citizen of the state, not a social debtor."

DIVIDING THE INCOME

A QUESTION often comes in like this, "We have an income of \$300 per month, how much should we pay for rent, food, clothing, etc.?" As I have tried to show, there is no answer to such a question. It all depends on the family and its aim; but family aims and wants

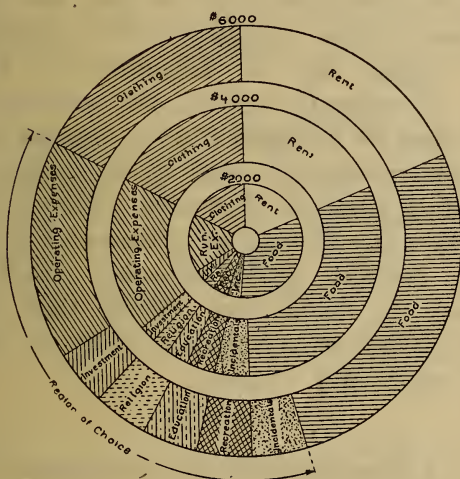


Fig. 1. Division of Income, \$2,000 to \$6,000. Expenditures for Rent, Clothing, and Operating remain nearly constant—Food expenditures are greater the smaller the income. From *Household Management*—Terrill.

are more alike than they are different and a great deal of study has been given to family budgets, usually based on the "statistical family" of man, wife and three children under fourteen. The chart shown in Figure 1, was designed by Mrs. Ellen H. Richards and illustrates the general laws governing division of expenditures. As you will see the proportion spent for rent and clothing, remains constant and for operating, nearly so—about one-sixth the income each. But the lower the income the greater is the percentage that must be spent for food and the less that can be spent for advancement, investment and luxuries. With

minimum income nearly one-half the expenditures must go for food. Rent here means rent of a house; the rent of an apartment includes much of the operating expenses.

Another diagram designed by Miss S. Agnes Donham, who has had much experience in budget making while with the Savings Division of the First Federal Reserve District, Boston, is illustrated in Figure 2. In this scheme, savings is taken from the income *first* and the balance divided into five equal portions — food, clothing, shelter, operating, and “higher life” or advancement. Then, with a moderate income, the segment for food must be increased and the amount spent for advancement or shelter or clothing or operating must be decreased. This scheme visualizes the division of income and is more easily grasped than the usual percentage figures. It shows very clearly that extra money spent in one division must be taken from some other division.

Classification of Expenses

THE Cost of Living by Mrs. Ellen H. Richards, written about twenty years ago, is a pioneer work on the family budget. Her classification of expenditures in the division of income are Food, Clothing, Shelter, Operating Expense, and “Higher Life.” In the Higher Life division is included Savings and Investment, Education, Recreation, Health—all expenditures “that contribute to mental, moral, and physical well-being.” Mrs. Christine Frederick in *Household Engineering* has divided “Higher Life” into Advancement, Savings, and Luxuries. This last is the classification used in the Household Accounting Check Book, with an additional division, Personal Allowances, which seems necessary in any practical workable family budget system.

What Are Luxuries?

THERE is no sharp dividing line between advancement and luxuries, but in general, advancement corresponds to Mrs. Richards' definition—"that which contributes to mental, moral, and physical well-being," while luxuries are nonessentials—expenditures that the family or individual can get along without and retain



Fig. 2. The circle represents a division of an income of \$2,500 a year. \$500 is set aside for savings and the \$2,000 divided into five equal parts of \$400 each. As more must be spent for food, \$200 is taken from higher life and \$40 from shelter. From *Budget-Making for the Home*, issued by First Federal Reserve District Boston.

efficiency, health, and happiness. Of course, a considerable proportion of the family income can be and often is spent for luxuries in food, clothing, shelter, and operating. Here is where "The Art of Spending" calls for cuts to provide for more savings and advancement.

Expenditures for luxuries are, of course, entirely legitimate; indeed many of the necessities of today were luxuries only a few years ago, like the telephone, running water, bath tubs and modern plumbing, as well as central heating, lighting and labor-saving equipment. In general, the progress of a people may be measured by the luxuries that become necessities. Someone once said in jest, "Give us

the luxuries of life and we will dispense with the necessities."

But it is very easy to over-spend for luxuries and expenditures in this division must be kept within bounds. The purpose of a budget is not to reform the manner of living of the family, except in so far as you are "shocked into reform" by your monthly records; the real purpose of the budget is to draw attention to relative values and make the spending conscious and deliberate rather than casual and governed by impulse.

The Household Accounting Check Book

FIGURE 4 shows a portion of the interleaf of the recording side of the Household Accounting Check Book. Each interleaf provides for recording fifteen checks and is followed by five sheets of checks, three to the page. This makes a convenient sized book about 7 inches wide by 8½ inches long and it contains 300 checks, sufficient to last the average family about a year. The first pages give directions for use and at the end is a table for the Yearly Summary by months and another table designed to help in drawing up the family budget.

On the reverse side of the interleaves from the check record, provision is made for a classified record of receipts as illustrated in the upper part of Figure 3. At the bottom of this page is a table for the Monthly Summary, with provision for sub-divisions under the main divisions and for a comparison of what is spent with the monthly budget, as is shown in the cut. The following sub-divisions are suggested in the "key":

Key to Subdivisions

SAVINGS

1. Savings Account, etc.
2. Life Insurance.
3. Payment on Bonds, House, etc.
4. New Buildings or Additions
5.

RECEIPTS MONTH OF October 1920

DATE	FROM	SALARY OR FEES	INTEREST	DIVIDENDS					MISCEL'S	TOTAL
1st	A. S. H. E.	2 00								2 00
19	Liberty Bond Coupons		21 25							21 25
15	A. S. H. E.	2 00								2 00
										42 25

MONTHLY SUMMARY OF EXPENDITURES

	SAVINGS	FOOD	CLOTHING	RENT	OPERATING	ADVANCEMENT	LUXURIES	PERSONAL	
SUB-DIVISION 1	50 00	30 62	10 00	60 00	10 40	12 41		20 00	
" 2		13 06	61 93		16 00	14 50	10 00	7 14	
" 3		14 37	18 41		4 50	10 00	3 10	5 50	
" 4		24 20	9 23		50	5 00	36 43	4 00	
" 5		8 50			3 50				
TOTAL	50 00	90 75	99 57	60 00	34 90	41 91	49 53	36 64	463 30
BUDGET	50 00	90 00	70 00	60 00	30 00	40 00	30 00	30 00	400 00
PLUS OR MINUS		+ 75	+ 29 57		+ 4 90	+ 1 91	+ 19 53	+ 6 64	+ 63 30

Fig. 3. Receipt side of a portion of an interleaf of the Household Accounting Check Book showing receipt record and Monthly Summary of Expenditures with sub-divisions filled out and compared with budget appropriations.

FOOD

1. Dry Groceries, Sugar, etc.
2. Meat, Fish, Fowl, Eggs, Cheese
3. Fruit and Vegetables, Fresh and Canned
4. Milk, Cream, Butter, Ice
5. Outside Meals

CLOTHING

1. Man's Clothing
2. Wife's Clothing
3. Child A Clothing
4. Child B Clothing
5. Child C Clothing

SHELTER

Rented

1. Rent
2. Business Carfare
3. Fuel
4.
5. Yard

Owned

1. Interest, Insurance, Taxes
2. Business Carfare
3. Fuel for Heating
4. Repairs and Decorating
5. Yard Expenses

OPERATING

1. Fuel, Light, Water, Telephone
2. Wages: Service, Laundry Expense
3. Equipment Repairs, Replacements, Up-keep
4. Income and Personal Tax, War Taxes, Insurance
5. Miscellaneous

ADVANCEMENT

1. Educational: Tuition, Books, Magazines, Papers, Stationery
2. Health: Physician, Dentist, Medicine
3. Church, Red Cross, etc.
4. Music, Theatre (Movies?)
5.

LUXURIES

1. Tobacco, Candy, etc. Personal Service
2. Entertainment, Travel, (Club Dues?)
3. Gifts, Tips, Flowers, Jewelry, etc.
4. Auto Expense, Taxi
5.

PERSONAL

1. Man's Personal Allowance
2. Wife's Personal Allowance
3. Child A Personal Allowance
4. Child B Personal Allowance
5. Child C Personal Allowance

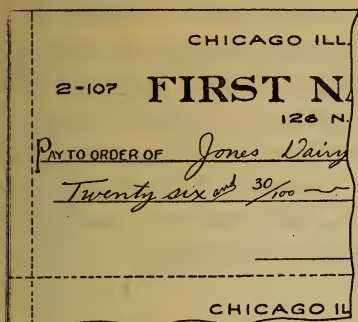
MONTH OF <u>Oct + Nov.</u> 1920			EXPENDED FOR							
DAY AND NO.	RECORD OF CHECKS	A.M'T OF CHECK	BANKS BALANCE	SAVINGS	FOOD	CLOTHING	RENT & OPERATING	ADVANCEMENT	LUXURIES	PERSONAL
	TOTALS AND BAL. FORWARD	407.11	260.86	50.00	46.86	87.27	94.90	41.91	49.53	36.64
26 th	TO Miss Addie Martin	12.30	248.56	.	.	12.30	.	.	.	.
10-27	FOR Dress m'g (2)									
30 th	TO S.S. McDonald	25.08	223.46	.	25.08	.	.	.	.	.
10-28	FOR 13.06 meat 12.02 Veg. 7 th									
30 th	TO Fleming Bros.	18.81	204.65		18.81					
10-29	FOR Groceries	463.30		50.00	90.75	99.57	94.90	41.91	49.53	36.64
Nov 1	DEPOSIT \$ 200.00	.	404.65	.	.	.	.	.	.	.
	Salary									
1st	TO E. State Bank	50.00	354.65	50.00	.	.	.	.	.	.
11-1	FOR Educational Fund									
2nd	TO A.H. Whitley & Co	60.00	294.65	.	.	.	60.00	.	.	.
11-2	FOR Rent									
2nd	TO Cash, O.P.E.B.	10.00	284.65	.	3.62	1.40	3.50	.	.	1.48
11-3	FOR Cash P. 362 Laundress 3.50 Dress (4)									
	DEPOSIT									

Fig. 4. Check Record of a portion of an interleaf of the Household Accounting Check. Footing the columns at the end of the month gives total spent and classified division of expenditures.

As the sub-divisions in the Monthly Summary are numbered, it is obvious that those suggested may be modified to suit the requirements of each family or individual. The main divisions are the important part of the budget—keep only the sub-divisions that may seem of value to *your* particular family.

In recording the checks, something must be put in to indicate the sub-division. For example, the first check drawn as shown in the illustration was for dressmaking and the (2) indicates that it was for Wife's Clothes. Note also the distribution of the last check recorded—drawn for cash—\$10.00, of which \$3.62 went for groceries at the "Cash and carry," \$3.50 to the laundress, entered under Operating, \$1.40 for Dress (4)—Child B Clothes. The balance, \$1.48 was put into the Personal column as a part of Wife's Personal Allowance.

For emergencies, blank checks may be detached from the back of the check book and carried in the pocket-book. When such a check is used, keep memoranda of the amount, to whom payable, and for what; enter this in the space of the check next to be drawn, then detach the check and carry in the pocket-book



Figures 3 and 4 are arranged as the pages appear in the Accounting Check Books. The checks follow in the above positions, three checks to the page.

as a *new* blank check. This procedure is much safer than carrying a wad of bills in the pocket-book and enables husband and wife to use one check-book under a joint account, which is the most convenient system.

As the directions explain, when the last check in the month is drawn, the total amount of the checks drawn in the month and the total in each division is found by adding up the columns. The total expenditures for the month should be the same as the totals of all the divisions added together. This will be true at all times but when footing the columns at the bottom of each interleaf to find totals to "Carry forward" onto the next page, this should be checked to make sure that no mistakes in the records have been made.

For the Sub-divisions, it will be necessary to pick out the items at the end of the month, for the Monthly Summary table. All this requires some accuracy in recording the checks and the ability to add correctly. A grammar school child could do this but you may make mistakes at first—few people, unless kept in practice by the daily routine, can keep simple records or add accurately; but when the bank returns your cancelled checks at the end of the month, checking them against your records will show up any omissions or errors—the *bank stands behind you*.

Using the new check-book is really but little more trouble than keeping an ordinary check-book correctly, and will give you full cost accounting, mastery of family finances, more savings, and more nearly what you desire from your income. Best of all, you can keep the records from month to month and year to year almost automatically.

Advantages of A Checking Account

A CHECKING account is by far the easiest and safest method of paying household bills and expenses. Each check comes back to you from the bank and is a legal receipt. The less currency held in the house and in the purse, the less chances there are for loss through carelessness or stealing. Your money in the bank is working—*don't have "slacker" dollars lying around.*

Some families do not use a checking account because of a feeling that they cannot afford to "tie up" a balance of \$100, more or less, required by the bank to cover the cost of clearing checks, bookkeeping, etc. But the savings interest on this amount is but \$3.00 a year, 25 cents a month, and the saving of time and carfare amounts to much more than that, not to speak of the convenience, assurance of safety, and other advantages. Few persons or families that have used bank checks would give up the privilege if there was a charge of \$1.00 or more per month.

But remember that it costs the bank from 1 cent to 2 cents for each check you write and that the bank's *gross* income on a \$100 balance is only about 40 cents a month, so keep up your bank balance to a sum, in proportion to the number of checks you use, which will give the bank some return for the trouble and expense.

Personal Accounting Check Book

THE Personal Accounting Check Book is made up pocket style, one check to the page. The same main divisions of expenditures are used but the sub-divisions suggested are somewhat different, i. e. *Food*: 1 Board; 2 Regular Lunches; 5 Extra Meals and Food. *Clothing*: 1 Ready to Wear; 2 Goods and Making; 3 Shoes, Stockings, Gloves; 4 Underclothing, etc.; 5 Cleaning and Repair. "Personal" means personal allowance for mother, sister, or others.

Office Accounting Check Book

THE Office Accounting Check Book is designed for the professional or business man or woman whose accounts are usually lacking entirely or very fragmentary, unless a regular bookkeeper is employed. Its use will give a full classified record of receipts and expenditures without other accounts. It may be substituted for the cash book in any simple business with much saving of time. All receipts are deposited and all expenditures are made by check—a simple system and automatic; it cannot go wrong.

The columns under "Expended For" are headed Expense, Wages, Supplies, Equipment, two blank spaces, and Household. Suitable sub-divisions are suggested in the directions. It is recommended that the best plan for the professional man, agent and the like, with a family is to consider himself as working for "Self, Wife and Co." on a salary and to send the salary monthly to a separate checking account, held in the name of the house-manager for detailed accounting in a Household Accounting Check Book. The idea is to keep the office and household expenses entirely separate.

The Farm Accounting Check Book is a combination of the household and office accounting check books with headings under "Expended for Farm"; Rent and Wages,

RECEIPTS MONTH OF _____ 192									
DATE	FROM	DAIRY	POULTRY	CATTLE HOGS SHEEP	GRAIN	HAY	VEGETABLE OR FRUITS	MISS'AL	TOTAL

Expense, Supplies, Stock and Equipment, and under "Expended for Household"; Food, Clothing, Operating, Advancement. The receipt side of the interleaves have headings: Dairy, Poultry, Stock, Grain, Hay, Vegetables and Fruit, Miscellaneous.

The Income Tax Schedule

THE use of any of the Self-Accounting Check Books will bring business order out of what is usually chaos; they will reveal leaks and over-expense; they will show monthly costs and comparative records from month to month; they will give incentive to better spending and earning.

WEEK OF _____				
SPENT FOR	Sunday	Monday	Tuesday	Wednesday
SAVINGS				
FOOD	GROCERIES FRUIT, VEG.			
	MEAT, FISH			
	MILK, CREAM BUTTER			
	MEALS OUTSIDE			
CLOTHING	READY MADE			
	GOODS AND MAKING			
	UNDERWEAR SHOES ETC.			
	REPAIRS CLEANING			
RENT, CARFARE				
OPERATING	GAS, ELECT. TEL. WATER			
	WAGES LAUNDRY			
	WAR TAXES PER. TAX			
	EDUCA- TIONAL			
ADVANCE- MENT	HEALTH			
	CHURCH RED CROSS			
	TOBACCO CANDY, ETC.			
LUXUR- IES				
PERSONAL				
TOTAL				

AMT. ON HAND - \$

AMT. RECEIVED - \$ _____

SUM - \$

Fig. 5. Left hand page of the Weekly Allowance Book.

To quote from the Directions: "When you have used the book for two or three weeks, you can tell how much is necessary for you to spend in each division. Put such figures down in the column headed "Estimate" and *keep within these estimates*. You will then be spending "according to plan" or Budget.

"For large expenses which you pay monthly, like rent, or yearly or every six months, like interest, life insurance, taxes, etc., and other special expense like clothing, Christmas, vacation—lay aside the proportionate amount required *weekly*. Deposit this in the bank, *where it is safe*, in a Reserve Savings Account, separate from your weekly savings "Club." You will then have on hand in your "Reserve" the money to pay your big expenses promptly and to buy to advantage for cash. Using this book faithfully will enable you to *get more for your money and save regularly*."

The divisions of expenditure are the same as used in the Household and Personal Accounting Check Books. "Personal" means personal allowances given to children or others. The "Sum" of Amount on Hand and Amount Received should equal the "Sum" of Total Expended for the Week and Money Left. If this does not come out right, charge the difference to "luxuries"—it is a luxury to spend money that you cannot account for.

The little book provides for record of 13 weeks or one-fourth a year and there is a table in the back for the "Summary" of the 13 weeks. Even the children can and will use one of these little books—if you insist.

DRAWING UP THE BUDGET

AFTER keeping records for a month or two in the Accounting Check Book or otherwise, you will be ready to draw up the family budget for the year. The following table, which you will find larger sized on the last page of the Household Accounting Check Book, is based on the scheme devised by Miss Donham of dividing the family expenditures into "fixed charges," "necessities," which can be estimated, and further expenses which it is "necessary to limit" as follows:

FAMILY BUDGET

JAN. 1ST, 192__ TO JAN. 1ST, 192__

TOTAL INCOME		\$		
FIXED CHARGES				
SAVINGS				
LIFE INSURANCE				
INTEREST OR RENT				
CHURCH DUES				
CLUB DUES				
INCOME TAX				
TOTAL		\$		
NECESSITIES, ESTIMATED		BALANCE	\$	
FOOD	1. GROCERIES			
	2. MEAT ETC.			
	3. FRUIT, VEG.			
	4. MILK ETC.	\$		
CLOTHING	1. MAN'S			
	2. WIFE'S			
	3. CHILDREN'S	\$		
SHELTER	2. BUS CARFARE			
	3. FUEL FOR HEAT	\$		
OPERATING	1. FUEL ETC.			
	2. WAGES ETC.			
	3. REPAIRS			
	4. TAXES	\$		
TOTAL		BALANCE	\$	
NECESSARY TO LIMIT				
OUTSIDE MEALS				
HOUSE REPAIRS				
YARD EXPENSE				
EQUIPMENT				
EDUCATION				
DR. DENTIST ETC.				
AMUSEMENTS				
VACATION EXPENSES				
AUTO EXPENSES				
MAN'S PERSONAL				
WIFE'S PERSONAL				
CHILDREN'S PERSONAL				
TOTAL		EMERGENCY BALANCE	\$	

The total income for the year is put at the top of the column, then the fixed charges are added together and subtracted from the total, leaving a balance. Next the necessities are estimated, added together and subtracted from the first balance to give a new balance. Finally it is decided how much may be spent in the items "necessary to limit." These are added together and subtracted from the second balance, leaving an "emergency balance."

Regrouping these figures according to the "key" and dividing by twelve will give you the Average Monthly Budget. Now the actual expenditures from month to month will *not* be the average; in some months extra amounts will need to be spent for clothing, as in fall and spring; more will be needed for luxuries at Christmas time; provision may need to be made for vacation expense; life insurance dues may have to be paid once or twice a year and interest on money borrowed; income taxes and other taxes due in certain months. Memoranda for all these matters should be kept and it is a good plan to draw up a budget estimate for *each month* which may be put down in the Yearly Summary table as provided in the back of the check-book.

The Family Purchasing Agent

FOLLOWING the simple system outlined will give you the basis of success in "The Art of Spending," but the actual achievement in the art depends, of course, on the wisdom of the day to day purchasing as well as in the larger expenditures. "There is far more money earned in the majority of families than is wisely spent It is natural to feel that economy is being practiced when many a coveted article is resisted."* It is easy enough to let two dollars do the work of one, but it takes real ability to make every dollar give full service. It's a full sized job and an interesting one. You remember the old saying, "A penny saved is a penny earned"—it works both

*From *Household Management*, by Bertha M. Terrill.

ways; to save a penny or a dollar you have to earn it either by work of head or hand. Let the head do its part. Better planning and spending—that is the way to get more for your money.

The budget and the records are the means to this end—to *live better* and *save more*; they give you the incentive—they point the way—show the goal—give the measure of your success in “The Art of Spending.”

“Savings First”

“**L**IFE is not made for savings, but savings are made that life may be more abundant.” You will notice that savings is made the first fixed charge in the budget. This is instinctive in any well considered yearly plan of spending, for we all realize that a family or individual not reserving a certain portion of the income for future needs, is headed towards disaster and is doomed to failure. With small income and continued high prices, saving may seem well-nigh impossible, but it is *not*—remember the Liberty Bonds subscribed for! Where there is a will there is a way.

As has often been said—the first dollars out of the pay envelope are easiest to spend, they are also easiest to save and the only way to save regularly and surely is to *save first*—spend after. And the most convenient, surest, safest way to save is to deposit that portion of your income which you wish to put aside in the savings bank, weekly if your compensation is received weekly, monthly if your salary is received by the month. And to help you stick to your resolution, join the new Home Service Weekly or Monthly Savings Club and pledge a definite amount regularly to *your account*. “Save First” and “Save for Investment.”

The budget system with the “Membership Privileges” of the new Home Service Savings Clubs of this bank will help you to make your regular savings easily.

To *live better* and *save more*—this is to achieve success in “The Art of Spending.”

HELPFUL BOOKS

The following books may be borrowed for ten days, one at a time by members of the "Home Service Savings Clubs" or of this bank. They will be sent by mail to your home. Please make requests by mail, give your Certificate number, and enclose required postage stamps for mailing.

Household Engineering, by Mrs. Christine Frederick. 527 pp., 1920. Price \$2.00, local postage 6 cents.

Specific directions for efficient housekeeping—how to save time, labor, and money in the home; chapters on Family Finance, Purchasing, Schedules, Food Planning, Labor-Saving Kitchen particularly good.

Household Management, by Bertha M. Terrill, Professor of Home Economics, University of Vermont. 211 pp., 1919. Price \$1.50, local postage 6 cents.

Home-making as a Profession, Standards of Living, Division of Income, the Bank Account, etc. Very good chapter on Marketing.

Cost of Living, by Ellen H. Richards. 154 pp., third edition, 1915. Price \$1.00, local postage 6 cents.

A standard work; while budgets are not up-to-date, it is well worth reading.

Save and Have, by the University Society. 142 pp., 1919. Price \$1.25, local postage 5 cents.

Practical suggestions as to the careful use of money and things, saving by accounts, on food, clothing, operating, children's savings, automobile accounts, etc.

The Woman Who Spends, by Bertha June Richardson. 161 pp., revised edition, 1910. Price \$1.25, local postage 6 cents.

A study of the economic status of woman; pleasing, well written philosophy.

The Household Budget, by John P. Leeds, Ph. D. 246 pp., 1917. Price \$1.25, local postage 6 cents.

A study of the housewife as a producer; answers to a questionnaire.

Low Cost Cooking, by Florence Nesbit. 127 pp., 1917. Price \$1.00, local postage 5 cents.

A manual of cooking and home management for homes that must be conducted with the lowest possible expenditure of money.

Lessons in Cooking Thru Preparation of Meals, by Robinson and Hammel. 467 pp., 1919. Price \$2.00, local postage 6 cents.

A menu cook-book giving directions for preparing each meal. Practical special articles on housekeeping and food economy.

Ten-Cent Meals, by Florence Nesbit. 42 pp., revised 1920. Price 10 cents, postage 1 cent.

Food Values; Practical Methods in Diet Calculations. 32 pp. Price 10 cents. Tables of 100 Food Unit portions, new food values.

N.B.—Many other books and booklets may be borrowed by *Club Members*.—See Reading Course Outlines on *The Art of Spending*.

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